

BEFORE THE DIVISION OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH

---ooOoo---

IN THE MATTER OF A TENTATIVE  
DECISION TO APPROVE A REVISED  
MINING AND RECLAMATION PLAN FOR :  
BASIN PERLITE CORPORATION'S  
PEARL QUEEN PERLITE MINE, :  
BEAVER COUNTY, UTAH

NOTICE OF TENTATIVE  
DECISION TO APPROVE  
NO. M/001/027

---ooOoo---

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,  
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS  
INTERESTED IN SECTIONS 1 AND 2, TOWNSHIP 27 SOUTH, RANGE 9 WEST,  
BEAVER COUNTY, UTAH.

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve Basin Perlite Corporation's revised Mining and Reclamation Plan for the Pearl Queen Perlite Mine. Mining activities will affect the following area: SW1/4 of the SW1/4 Section 1, and the SE1/4 of the SE1/4 Section 2, T27S, R9W, SLBM, Beaver County, Utah.

The operator will employ the following mining and reclamation techniques on approximately 23.5 total acres of State and Federal land (plan originally approved was for 10 acres on State Land; the revised acreage will include 9 additional acres on State land and 4.5 acres on Federal land). A Cultural Resource Inventory and Data Recovery Plan for the Pearl Queen Perlite Mine has been accepted by the State regulatory agencies which will be implemented before mining begins in the new expansion areas.

**During Operations:** Basin Perlite will contract the onsite mining and primary crushing of the ore. The mined ore will be crushed to minus 1-1/2 inches onsite with a portable crushing plant. The crushed ore will be trucked to the process plant/mill site located on the east side of Milford. Perlite processing waste fines will be trucked back to the mine, stockpiled, or used directly in contemporaneous reclamation of the mine site.

Brush will be cleared and grubbed from the mine areas, a 12-inch layer of soil/rubble-perlite will be salvaged and stockpiled for reclamation. The thick perlite/caliche surface zone will be ripped and bulldozed into a waste disposal site or used as backfill for the mined out areas of the pit. Perlite ore will be ripped and stockpiled. Some drilling and blasting may be required, if the in-place perlite ore is too hard for ripping. Erosion and sediment control measures will be implemented onsite. Mining will progress in phases along with periodic contemporaneous reclamation of older pit disturbances.

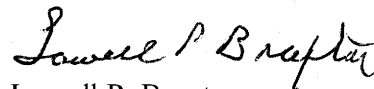
**After Operations:** All mining equipment will be removed from the mine site. The waste rock disposal areas, backfilled pit and associated mine disturbances will be contour graded to conform with the adjacent topography to the extent practicable. Residual process plant waste (perlite fines) will be used in final reclamation of the mine site. The stockpiled soil/rubble-perlite will be uniformly placed over the recontoured areas of the mine, then fertilized and seeded with an approved seed mixture.

The person representing the company is Mr. Jay Gatten; Phone: (801) 544-3421. Basin Perlite Corporation is fulfilling obligations under the Utah Mined Land Reclamation Act of 1975, Utah Code Ann. §40-8-18.

Any person or agency aggrieved by this tentative decision to issue approval is hereby requested to submit written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint. If no responsive written protests are received by the Division within 30 days after the last date of publication, the tentative decision of the Division will be final.

DATED THIS 16th day of March, 2001

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING



Lowell P. Braxton  
Director

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Approval for Basin Perlite Corporation's, Pearl Queen Perlite Mine project revision to be mailed by first class mail postage prepaid, electronic mail, and/or faxed, the 19th day of March, 2001 to:

FACSIMILE: 237-2520  
e-mail - naclegal@nacorp.com  
Salt Lake Tribune  
Legal Advertising  
116 Regent Street  
P.O. Box 45838  
Salt Lake City, Utah 84145

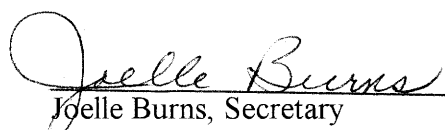
Ed Ginouves  
Bureau of Land Management  
Cedar City Field Office  
176 East DL Sargent Drive  
Cedar City, Utah 84720

FACSIMILE: (435) 438-8804  
e-mail - bpress@xmission.com  
Beaver Press  
Legal Advertising  
40 East Center Street  
P.O. Box 351  
Beaver, Utah 84713-0351

Craig Davis  
Beaver County Zoning Authority  
P.O. Box 1013  
Beaver, Utah 84713

Blundell Geothermal  
P.O. Box 769  
Milford, Utah 84751

CERTIFIED RETURN RECEIPT  
7000 0520 0021 7582 8739  
Jay Gatten  
Basin Perlite Corporation  
472 North Main  
Kaysville, Utah 84037

  
Joelle Burns, Secretary

John T. Blake  
School and Institutional Trust Lands  
Administration  
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102